

the Washington Hilton Hotel. In his remarks, he referred to Senator Ted Stevens, evangelist Billy Graham, Prime Minister Kamisese Mara of Fiji, and National Symphony Orchestra director Mstislav Rostropovich.

## Remarks to the Greater Philadelphia Chamber of Commerce January 30, 1992

Thank you all very, very much for that welcome back. Please be seated, and thank you. Please be seated. I don't want to keep Boris Yeltsin waiting later on. *[Laughter]* Thank you, Joe. Senator Specter and Joan, laboring in the vineyards of the city council here, we're delighted to be with you. And coming up with us from Washington were two of our great Congressmen from this area, Larry Coughlin and Kurt Weldon, over here.

May I, too, salute the Mayor. I asked Joe earlier on how was it going, realizing that, as in Washington, things have been tough, and across the country in many ways. But I said, knowing a little bit about history in Philadelphia, I asked this question, "How's the Mayor doing?" And Joe and everybody else I've spoken to has said he's really hit the ground in a wonderful way, going forward, bringing out the best in this city. So, I want to salute Ed Rendell and his wife, Midge.

Joe Paquette, who introduced me, is the chairman of the Greater Philadelphia Chamber. That was a very enthusiastic presentation he made about how things were going. So much so that maybe he can make a little loan to those of us in Washington, DC, who cannot have quite that optimistic a report. *[Laughter]* But I like that can-do spirit of this chamber, and I'm grateful to Charlie, to Charlie Pizzi, and to Joe and all the rest of you that have put together this opportunity for me, all of you at the chamber.

And so, thank you very much. I am happy to be here in Philadelphia. As you can imagine, these last few weeks in Washington have been pretty high pressure, high pressure time for me, what with all the experts and the instant analysis and the columnists giving unsolicited advice. Thank goodness

the Super Bowl is over. *[Laughter]*

I am very pleased to be here, particularly pleased to be here today because American businesses, as represented by this group gathered here, have a unique perspective on the tough times we've been going through recently. And as businessmen and businesswomen, you can separate the sensational from the sensible, the sweet-sounding quick fixes from real solutions. When it comes to America's economy, we can't accept empty symbols and slogans. We need to work together—that's what I like, what Joe was saying about the way the Mayor and you all are approaching it in this city—we've got to work together nationally and turn this economy around.

Tuesday night, I came before the American people to outline a program for doing just that. And we all know this is an election year. The air back in Washington has been thick with feel-good gimmicks that have nothing to do with true prosperity and everything to do with politics. We need to get down to business, literally. In the critical weeks ahead, common sense must replace partisanship. And I came here to ask for your help.

The plan that I put before Congress and the American people contained several action steps. And one of the most critical was this, to free up American businesses by clearing away the obstacles to growth: high taxes, overregulation, and Government deficits. And I've offered the only comprehensive plan that doesn't raise taxes, doesn't throw away the spending discipline now in place on the Congress, these spending caps, and doesn't cut defense beyond what's necessary for this country's security. But let me tell you the three words that really separate my plan from what I think of the rest of them: It will work. Those three: It will

work.

Each of us has a role to play, so I am moving forward with steps I can take right now. You may remember I divided that State of the Union Message into steps I can take, short-term areas where we need legislation and then a longer term program. Right now, I have instructed every Cabinet Department to speed up progrowth expenditures. And we estimate that will be as much as \$10 billion worth in the next 6 months. We don't have to go to Congress to get them to do that; we just accelerate the spending plans to try to give this economy an extra kick.

I directed the Secretary of the Treasury to change the Federal tax tables so that millions of Americans can choose to have the Government withhold less from their paychecks. Now, that's a large number. That could pump as much as \$25 billion into the economy this year alone. That is money in the pockets of working men and women to help pay for clothing or to help save for college or to help buy a new car. And after all, it is their money. And there has been this schedule where really there has been overwithholding. And this I think will give, for those who elect to do it—if everyone elected to do it, it would be \$25 billion, and I think that will give the economy a jolt.

I have asked Cabinet Departments and Federal Agencies to institute a 90-day moratorium on new Federal regulations that could hinder growth. We'll undertake a top-to-bottom review in the fields of energy, the environment, transportation, exports, financial services, and communications, among others. Here's the test: We will accelerate any regulations that encourage growth and the creation of jobs. And whenever possible, we will scrap those that tie the hands of business and impede growth. I know that I have regulatory responsibilities affecting safety in the workplace, for example, health, environmental protection. And I will not neglect those responsibilities.

But you know as well as anyone how Government, sometimes with the best of intentions, can hobble innovation and risk-taking, the lifeblood of a successful business. Government naturally tends to expand ever outward, its redtape oblivious to anything

standing in its path. It touches everyone. Every regulation that reduces efficiency slaps a hidden tax on the consumer as well. From the tab on a bag of groceries at the checkout line to the sticker price on the showroom floor, every American takes a hit when the Government overregulates.

American business men and women need this freedom to experiment, to compete without looking over their shoulders for Washington's approval. Small businesses and those just starting up feel the sting of overregulation most of all. Yet these businesses drive America forward. They create most of our new jobs. They reinvigorate our communities. They embody the power of the American dream. I make this pledge: We will set America's dreamers and doers free and put an end to this regulatory overkill.

In some of this area I will need the help of the Congress, and I promise I will take the message as strongly as I can to the Congress in this regard. Even now, an untold number of hard-working, responsible men and women go without needed bank loans for starting up a new business or for investing more in an existing one. We've got to ease the credit crunch and give these people a chance. That's why we've given the bank regulators more than 30 policy changes and clarifications to restore common sense and balance to the regulatory system.

I've mentioned this before, but in regulation, again, we have a responsibility. We don't want to go back to what is known as forbearance, where we neglect the soundness that is required. But there is regulatory overkill. The people are afraid, I think, in some instances in the financial community because of the excesses of regulation. And we're going to try very hard to achieve a better balance.

Now, I've mentioned some of the things that I can do, and there's a few more. But Tuesday night I told Congress, directly challenged it, told it directly what it must do. And I started with the obvious: No investment, no new jobs. Congress must reward investment and stop punishing success.

For 3 years now, I have asked the Congress to lower the capital gains tax. And for 3 years, that essential growth measure has

been pilloried and parodied as a windfall for the rich. Now, you and I know that claim for what it is. It's nonsense. Sixty percent, sixty percent of the people who benefit from lower capital gains have incomes under \$50,000. A windfall for the rich? By freeing up investment, a cut in the capital gains tax creates new jobs for those looking for work and better jobs for those who want to move up. A lower capital gains tax helps anyone who owns a small business or a farm, anyone who owns a home, anyone who has a single investment. We're talking about helping every working man and woman and every retired person in this country.

We don't have time now for any more of this demagoguery on this question. Let me remind you, in Japan the effective capital gains tax rate comes to about one percent. Germany doesn't tax long-term capital gains at all. To create jobs, to restore a vibrant economy for all Americans, Congress must lower the capital gains tax, and it must lower the capital gains tax now, 15.4 percent.

With a few simple steps, taken right now, Congress can help get the housing industry, builders, investors, buyers, and sellers, back on its feet. To those young families who want to buy their first home but can't quite afford it, I say this: We can help put your dream within reach, and we will. I have offered a plan to allow first-time homebuyers to withdraw savings from IRA's without penalty and to provide a \$5,000 tax credit for the first purchase of a home.

I might say parenthetically that Senator Specter, your Senator, has been in the forefront of fighting for the change on how IRA's are treated. He understands what this can mean in terms of stimulating the economy and helping the homeowner.

I have asked Congress to mark the calendar. They must put this recovery plan in place by March 20. Yesterday, right after—the State of the Union was the night before, and yesterday morning I went up to the Congress. And I met with the leaders of both the House and the Senate up on Capitol Hill, and I urged them to meet this timetable. I set the deadline because of a simple fact: The American people want action. They deserve action. Our States are

working overtime; so are thousands of communities across the country. They're tightening their belts, aggressively facing the future. And every day, individual Americans are working hard to get this economy back on its feet, and it's time for Congress to do the same thing. It can be done in that timeframe.

What troubles me is if we let it drag on, it's going to get really caught up in the rough-and-tumble of 1992 national politics. People are crying out for help now, and the Congress can move. We've seen them do it on a wide array of legislative initiatives, and they can do it on these stimulative tax changes. So, I ask every Member of Congress—and please tell them the same thing—to set aside now partisanship for just 51 days and give this plan a chance. Get the plan; put it to work.

Immediate growth, as I mentioned at the outset, is just one part of the picture, one part of our program. We've got to look even further ahead to ensure that when the American economy regains its strength, and inevitably it will, it stays strong.

We start by opening markets to American goods. In our trade negotiations, we will continue to push for open trade, pulling down the barriers that stand in the way of international competition.

To guarantee that American goods and services are the world's finest, we must guarantee America's preeminence in another field, in the field of education. Our America 2000 strategy will revolutionize education in this country, will create new American schools, places where our kids will learn the lessons they need for a new century. And it will allow parents to choose their children's schools. Choice means competition, and you understand as well as anyone what comes from competition. Competition inspires innovation and creativity. It inspires excellence. And that's why we are going to push for our program; we're going to push for school choice.

As I look at education and the fact that we are not where we should be in world standing, it isn't a question of a change here and there. It isn't a question of adding to programs that have failed, programs mandated in Washington. It is a question, liter-

ally, of revolutionizing. And that's what we tried to do when we set the education goals, working with Republican and Democrat Governors. That's what we're trying to do with Lamar Alexander in the lead for us, our Secretary of Education, as we take this America 2000 program all across the country. We need your help. It is the best possible investment for the future of this country.

Now, we need a healthy America, and that means reforming health care. I think everyone would agree we cannot afford our present system. But we've reached a fork in the road. We can either go the way of greater Government mandates, leading inevitably to a state system of nationalized care, with the long lines and indifferent service that such a system creates. Or we can reform our private system, preserving the greatest possible patient choice, maintaining the quality of care which, for all its faults, is still the best in the entire world. That's the approach I outlined in a rather broad detail Tuesday night, and that's the approach that I will take when we announce the full detail of our plan next week.

We've proposed another reform, one that is crucial to creating jobs. America has become the most litigious society on Earth. Frivolous lawsuits are exhausting our ability to compete. If we were as good at rewarding success as we are at suing each other, we would be a century ahead of the rest of the world. Lawsuit madness gums everything up. Needed new products never reach the marketplace because of concerns over liability. In many areas, businesses are forced either to drive prices into the stratosphere or literally close shop.

My Competitiveness Council that's chaired by the Vice President, Vice President Quayle, has offered 50 concrete recommendations to restore sanity to our civil justice system. I've enacted some of these recommendations by Executive order. Others, however, require Congress to act. And with all respect, there are 62 lawyers in the United States Senate, a lot of lawyers up there on Capitol Hill. I realize that might present a problem, but it also presents an opportunity. And I'd like to see them move forward now with these changes to cap some of these outrageous areas of unlimited

liability. It's driving our small businesses right flat into the ground and costing American workers jobs.

And finally, I can use Congress' help in another all-important area. We must get the Federal deficit under control. Now, let's face the facts: The Government in Washington is too big, and it spends too much. I have proposed a freeze on all domestic discretionary budget authority as well as a freeze on Federal domestic Government employment. And I have asked Congress to get rid of 246 federally funded programs. Now, some of them have very noble titles. But in these times, none of them is indispensable, and I'm going to call on Congress to get rid of them. I think we're talking about something like \$4 billion in this regard.

For too long, Congress has been violating an important principle of good government: Do no harm. It's been imposing its own habits on State and local governments, and the taxpayer ends up, as you may all know, by footing the bill. These unfinanced Federal Government mandates, as they're called, require the cities, require the States to provide new services or institute new programs, but the Congress doesn't provide the money to pay for them. That means the local governments must pass along Congress' wish list to the taxpayer in the form of higher taxes at the local level.

Now, the National Governors' Association, made up, obviously, of Republicans and Democrats, continually urge the Congress to stop these mandates which are killing innovation, killing savings at the State and local level. From now on, if Congress passes a mandate, it shouldn't pass the buck. Congress must pay for the mandates it imposes without heaping on new taxes.

I've spared you some of the detail. But taken together, these and other steps that I've outlined will, in my view, reinvigorate our economy, give it the boost that it needs now, and ensure that it continues to provide opportunity and create jobs for all who want to partake. That is the promise America makes to her citizens. They have a right to expect no less.

Almost two centuries ago, Philadelphia's

merchants gathered together at the city tavern to form this Chamber of Commerce. They looked out on a Nation almost limitless in possibility. A special kind of faith brought them here, that if they worked hard and worked together, their young country would allow them to fulfill their dreams.

America has changed dramatically in those 200 years. And yet, the essentials remain. The pessimists are wrong; the pessimists are wrong. We are going to pull out of these tough times. Inflation is down; inventories are down. The market has been expressing optimism in the future. Interest rates are down. This is no time for gloom and doom. It is time for action in Washington to restore confidence and get this economy moving again.

And here's where you come in. We need your help. You can affect the way Congress approaches this program that I have outlined in some detail. We need your help. And with your help, we'll get that action, and we will reaffirm our country's rightful place as the world's leader for this decade and for the next century.

Thank you all very, very much for this opportunity. Thank you.

*Note: The President spoke at 12:11 p.m. at the Wyndham Franklin Plaza Hotel in Philadelphia, PA. In his remarks, he referred to Joan Specter, Philadelphia city councilwoman, and Charles P. Pizzi, president of the Greater Philadelphia Chamber of Commerce.*

## Remarks During Discussions With Prime Minister Kiichi Miyazawa of Japan in New York City

January 30, 1992

*The President.* This gives me a chance, with our friends from the press here, to tell you how much I appreciated your hospitality.

*The Prime Minister.* Let me tell, Mr. President, to all the audience that we will deliver all we promised to you.

*The President.* I never doubted—

*The Prime Minister.* I make it very, very clear to the audience.

*The President.* I never doubted it.

*The Prime Minister.* There will be no misunderstanding about it.

*The President.* Let me make clear that that was never a doubt in my mind. And secondly, I'm very grateful for the many manifestations of friendship and hospitality. And you, yourself, just went out of your way on a very personal basis to be considerate to me.

*The Prime Minister.* Oh, yes.

*The President.* So, it's most appropriate that we see you when you first get off this airplane. But I don't want to take too much time.

*The Prime Minister.* This is very kind of you, very kind.

*The President.* They'll be leaving us very soon now—[laughter]—and we can talk.

[At this point, another group of journalists entered the room.]

*The President.* I might say, with the Japanese journalists here, that I had a chance to tell the Prime Minister when he arrived here how grateful the United States is for the progress that we made on this visit and how grateful I am personally to this Prime Minister and to everybody in Japan for their hospitality. The concern when I had that very, very brief illness, but the concern from the people there and the members of your Government, Members of the Diet, I will never forget it. It was very, very thoughtful. And I want to take this opportunity to thank the people of Japan because, on the business side and the personal side, we could not have been treated with more dignity and more care and more friendship.

*The Prime Minister.* I am very much honored to hear it from you, Mr. President. And the Japanese people were really de-